

SUPPLEMENT TO
REPORT NO. .

- Deputy to MITTELMANN. Austrian. About 45.

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CENTRAL INTELLIGENCE

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Dr. Heinz KÖHLER

Eugen GEBEL (Communist)

Casillo WENZEL

Sylvester TATSCHL

Otto DRESSLER

Buyers; all Austrians

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Comment: These and other employees receive 700 - 1000 schillings monthly.

The office has been assigned six Soviet trucks which are kept in a garage in Vienna X, am Spinnerie. In addition, ten private Austrian trucks are supplied to the office daily. There is also a warehouse at Lobau, storage facilities of which are available to store purchases.

1. The Business Office engages in the following transactions regularly:

- a. Buys 155 tons of sulphuric acid monthly from the Donau Chemie plant in Liesing. Of this amount, 90 tons are 98% and 65 tons 92% pure. Donau Chemie receives 327,000 schillings in cash for the acid, which is then distributed to individual refineries by the transportation section of the Business Office in its own trucks.
- b. Buys 100 automobile tires and tubes monthly from Semperit, Vienna I, Helfferstorferstrasse for 15,000 schillings total. About 85 tires out of this monthly allotment are for trucks. (Comment: According to the drivers, the tires have only about one-third the life of tires of other brands; the greatest number of breakdowns occur because of poor lining fabric.)
- c. Buys 15 tons of industrial salts monthly from firms in the Western Zones in accordance with an arrangement authorized by the Austrian Government.
- d. Buys 10 tons monthly of black plate from Schmidmetall Krems. With approval of NSIA, the sheet metal is sold to various NSIA firms according to individual needs.
- e. Buys high pressure pipes from St. Eyder Eisen- und Stahlindustrie-Gesellschaft and buys sleeve joints for these pipes from Stahl- und Tempergußwerk Traisen. These items are distributed according to need to the various oil firms in Zistersdorf, with approval of the Central Administration of Soviet Oil Companies in Austria, Vienna I, Kartgasse 1.
- f. In the last few months, buyers have several times bought 200 kg. quantities of so-called "Vidia" steel out of former war stocks which the Germans had imported from Sweden. Such steel is used primarily for cutting devices in connection with metal lathes. Distribution to the using plant is subject to approval of NSIA.
- g. For some Soviet boring work in Matzen, Burgenland, boring apparatus, pumps, and pipe have been needed. These have come partly from Romania and partly from "Gansda" Tiefbohrgeraete- und Maschinenfabrik, Vienna X, Siccardsburggasse 4. This firm is also charged with assembling and mounting the equipment and receives its orders from RYABININ, Chief of the Soviet Petroleum Administration.
- h. In April 1948, the Business Office bought the following items for Zistersdorf companies and distributed them through its own transportation department:

150 tons sulphuric acid	Donau Chemie, Liesing
30 tons carbide from Brixlegg, Tirol	"Chemia", Vienna III, Heumarkt 10
30 tons caustic soda from Bruckl, Carinthia	"Chemia"
200 tons cement from Rodaun near Vienna	Karl Johann Baldauf, Vienna V, Margarethenquertel 3.

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40 tons soda	Ebenseer Solwaywerke, Ebensee
30 tons salt	Ebenseer Solwaywerke, Ebensee
100,000 schillings cloth fabric	Hutter & Schrantz, Vienna IV, Windmuehl- gasse 26.
80,000 schillings (80 bales) wool- en filter cloth	Hutter & Schrantz, Vienna IV, Windmuehl- gasse 26.
100,000 schillings sheep's wool filter cloth	Hutter & Schrantz, Vienna IV, Windmuehl- gasse 26.
45 tons barytes	Theodor Petrina, Vienna I, Reingasse 12
200,000 building bricks from Leo- poldsdorf and Ernstbrunn	Baldauf
100,000 roofing tiles	Baldauf
5,000 railroad ties	25X1A Draasdorf () Comment: this locality cannot be identified)
80 carloads assorted boxes	25X1A Zahony and Odessa, USSR () Comment: these may have been machine parts)
100,000 schillings electrical materials	Siemens-Halske; Osram; Zawrzal, Vienna III, Ungargasse 29.
25 carloads construction timber and firewood	Havlicek, Neu-Erlaa; Krummhubersbaum.
50,000 firebricks	Bergedorfer Eisenwerk A.G.
500,000 schillings pipe	Wiener Neudorf, former warehouse of Messerschmittwerke in Vienna XI.

5. In January 1948, the Business Office received a notice from Soviet headquarters that USIA enterprises would buy domestic raw materials only in the smallest quantities. Special attention was called to a clause providing that large quantities of raw materials could not be purchased in the western zones of Austria, but that efforts were under way to provide the greater part of necessary raw materials from the USSR or countries in the Soviet economic sphere.

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() Comment: Although the terms of this order may be slightly exaggerated, it is a fact that, at the end of April 1948, eight to ten carloads per month of raw materials were coming from Yugoslavia alone for USIA enterprises. These shipments were repaid for the most part by compensation in finished goods from USIA factories. Exact details were not available at the time.)

7. Much of the material brought up in Austria by USIA purchasing agents is forwarded to Czechoslovakia, whence USIA industries receive, in addition to raw materials, such items as shoes and clothing for their workers. During April 1948, large amounts of electrical goods, electrolytic copper, and sulphuric acid figured prominently in exports to the CSR. These materials are taken to Wiener-Neustadt loading platforms in Juschewitschtrans trucks.

8. The Schottengasse offices of the Business Office are guarded at night by a three-man team of guards, known to be Communists and armed with Walther pistols, 7.65 mm. They are part of a 32-man detail which guards Soviet Oil Administration headquarters in Karlgasse. () Comment: () has stated that captains of individual Werk 25X1X schutz details are either "Soviets in civilian dress or reliable citizens of satellite states" and claims it is "well known" that they are almost all Communist Party members, and that over half have criminal records. Furthermore, according to source, it has been proved in many cases that Yugoslavs, Bulgarians, Czechs, Poles, Romanians,

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and even Albanians are among the ranks of the Werkschutz. Since all these sweeping statements are unsubstantiated, it is suggested they be treated with reserve. Source is at most competent to comment on members of the Werkschutz in the Kantgasse office.)

7. The following expenditures in schillings were incurred by the Purchasing Office of the Soviet Oil Administration from 1 January to 7 July 1948:

<u>January 1948</u>	1,732,243.55
<u>February 1948</u>	1,280,363.73
<u>March 1948</u>	1,925,060.32
<u>April 1948</u>	1,772,125.25
<u>May 1948</u>	1,500,131.12
<u>June 1948</u>	1,553,008.05
<u>July 1948 (up to 7 July 1948 only)</u>	961,470.30

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